

protection shall permit the signature to be on an application or on a separate form.

"(XI) Section 23 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

"(ii) MODEL ACT.—The following requirements of the model Act:

"(I) Section 6C (relating to preexisting conditions).

"(II) Section 6D (relating to prior hospitalization).

"(B) DEFINITIONS.—For purposes of this paragraph—

"(i) MODEL PROVISIONS.—The terms "model regulation" and "model Act" mean the long-term care insurance model regulation, and the long-term care insurance model Act, respectively, promulgated by the National Association of Insurance Commissioners (as adopted as of January 1993).

"(ii) COORDINATION.—Any provision of the model regulation or model Act listed under clause (i) or (ii) of subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision.

"(iii) DETERMINATION.—For purposes of this section and section 4980C, the determination of whether any requirement of a model regulation or the model Act has been met shall be made by the Secretary.

"(3) DISCLOSURE REQUIREMENT.—The requirement of this paragraph is met with respect to any contract if such contract meets the requirements of section 4980C(d).

"(4) NONFORFEITURE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements of this paragraph are met with respect to any level premium contract, if the issuer of such contract offers to the policyholder, including any group policyholder, a nonforfeiture provision meeting the requirements of subparagraph (B).

"(B) REQUIREMENTS OF PROVISION.—The nonforfeiture provision required under subparagraph (A)

shall meet  
the  
following  
requirement

s:

"(i) The  
nonforfeiture  
provision shall  
be appro-  
priately  
captioned.

"(ii) The  
nonforfeiture  
provision shall  
provide for  
a benefit  
available in the  
event of a  
default in the  
payment of any  
premiums and  
the amount of  
the bene-  
fit may be  
adjusted  
subsequent to  
being initially  
granted only as  
necessary to  
reflect changes  
in claims,  
persistence,  
and interest as  
reflected in  
changes in  
rates for  
premium  
paying  
contracts  
approved by the  
Secretary for  
the same  
contract form.

"(iii) The  
nonforfeiture  
provision shall  
provide at  
least one of the  
following:

"(I) Reduced paid-  
up insurance.

"(II) Extended term  
insurance.

"(III) Shortened  
benefit period.

"(IV) Other similar  
offerings approved  
by the  
Secretary.